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Proposed programme budget for the biennium 2014-2015

Consultations on consolidating the secretariat of the United Nations System Chief Executives Board for Coordination at United Nations Headquarters in New York

Report of the Secretary-General

Summary

The General Assembly, in paragraph 111 of its resolution 66/246, requested the Secretary-General, in his capacity as the Chair of the United Nations System Chief Executives Board for Coordination (CEB), to consult all CEB member organizations on consolidating the secretariat of the Board at United Nations Headquarters in New York. The Assembly also requested the Secretary-General to report thereon at its sixty-seventh session. Owing to the required extensive consultations with all CEB members on the subject, the report could not be submitted at that session.

The present report outlines the agreed position of CEB member organizations on the issue. The consultations with CEB member organizations called for in the resolution resulted in the common view that the current dual-location organizational arrangement was best suited to the most effective exercise by the CEB secretariat of its unique role as a supporting arm for all its participating organizations in carrying out the Board's activities.

This conclusion was reached with due consideration taken of the characteristics of the United Nations system operations, which are multisectoral and diverse in nature and geographical location. It was also noted that there were more organizations and United Nations system staff outside than in New York. In addition, CEB member organizations found no evidence that significant cost savings, in either the short or the long term, could result from the consolidation of CEB secretariat offices in New York.

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On the basis of the position expressed above by CEB member organizations, the Secretary-General recommends that the CEB secretariat continue operating with the present dual-location organizational arrangements.

I. Introduction

1. In the context of the approval of the programme budget for the biennium 2012-2013, the General Assembly, in paragraph 111 of its resolution 66/246, requested the Secretary-General, in his capacity as the Chair of the United Nations System Chief Executives Board for Coordination (CEB), to consult all the participating organizations on consolidating the secretariat of the Board at United Nations Headquarters in New York and to report thereon to the General Assembly at its sixty-seventh session.

2. This decision was taken by the General Assembly following a recommendation by the Advisory Committee on Administrative and Budgetary Questions in its first report on the proposed programme budget for the biennium 2012-2013 (A/66/7 and Corr.1), upon its review of section 32 (Jointly financed activities) of the proposed programme budget. In that report, the Advisory Committee questioned the CEB secretariat structure and expressed its view that there was significant scope for greater managerial and financial effectiveness. The Advisory Committee urged the Secretary-General to develop a proposal for a less costly and more functionally effective amalgamation of the CEB secretariat and report back in the context of the proposed programme budget for the biennium 2014-2015 (A/66/7, para. X.24).

3. Further to the Advisory Committee's recommendation, the General Assembly called upon the Secretary-General to submit proposals on the matter to the Assembly at its sixty-seventh session. Owing to the required extensive consultations with all CEB members on the subject, the report could not be submitted at that session.

4. In accordance with resolution 66/246, the Secretary-General, in his capacity as the Chair of CEB, proceeded to consult the executive heads of CEB member organizations on the matter. As part of the consultations, CEB secretariat operations were analysed with a view to identifying potential operational overlaps between the two locations and assessing the impact of a possible consolidation in New York on their efficiency and effectiveness. On behalf of the Board, the Secretary-General presents in section III the agreed position of CEB member organizations on the matter and his recommendation thereon.

II. Analysis of the operations of the CEB and possible operational implications of its consolidation in New York

5. The cost-effectiveness of the inter-agency coordination activities, including secretariat support to CEB, has been a constant concern of CEB member organizations since the Board's establishment in 1946 (it was first called the Coordinating Committee, then the Administrative Committee on Coordination; in 2002, it was renamed the United Nations System Chief Executives Board for Coordination as part of an extensive reform of the inter-agency coordination machinery). The costs of inter-agency coordination comprise mainly three categories of expenditure: (a) costs relating to maintaining specific secretariat servicing for CEB and its subsidiary structures; (b) travel and other direct costs associated with the participation of the member organizations in the inter-agency meetings; and (c) support services provided by member organizations when hosting Chairs and/or secretariats of the CEB subsidiary machinery.

6. Over time, the need for dedicated secretariat support for the servicing of CEB and its subsidiary mechanisms led to the creation of permanent secretariat structures financed by CEB member organizations on a cost-sharing basis and supplemented by the ad hoc secondment of staff loaned to the CEB secretariat by member organizations in connection with activities of the Board for which they have specific expertise. At all times, the guiding principles for CEB secretariat support have been: (a) its neutrality and fairness in addressing the mandates and objectives of the whole CEB membership; (b) maximum efficiency and cost-effectiveness of that support and related structures; and (c) the adequacy of the structures and their responsiveness to the mandates entrusted to CEB and its subsidiary machinery by the General Assembly and the Economic and Social Council.

7. The objectives cited above are reflected in the specific contractual arrangements for CEB secretariat personnel and the cost-shared funding modality of the secretariat under the guidance of the General Assembly.

8. The present CEB structure, which reflects the Board's responsibilities in response to relevant intergovernmental mandates, has three pillars: the High-level Committee on Programmes, the High-level Committee on Management and the United Nations Development Group. A jointly financed secretariat, reporting to the Secretary-General in his capacity as Chair of the Board, was established in 2002, as reported by the Secretary-General to the Economic and Social Council (E/2001/55 and E/2002/55) and noted by the Council in its decision 2002/295. Since its establishment, the CEB secretariat has been organized into two branches: one is located in New York, oversees the work of the CEB secretariat as a whole and specifically supports the activities of CEB itself and those of the High-level Committee on Programmes, and the other branch, located in Geneva, supports the activities of the High-level Committee on Management and its networks. The United Nations Development Group became the third pillar of CEB in 2008 and is responsible for the coordination of country-level development operations, in accordance with General Assembly resolution 62/208. However, the activities of the Group are not financially supported by the jointly financed CEB secretariat budget.

9. The New York branch of the CEB secretariat is responsible for assisting CEB in developing its overall programme of work, providing substantive support in preparation for the CEB sessions and drafting conclusions of CEB sessions in collaboration with CEB members designated as focal points, as well as organizing and monitoring their follow-up in close cooperation with the CEB member organizations. It also supports the preparation for the sessions of the High-level Committee on Programmes and organizes the implementation of and follow-up to the Committee's conclusions and recommendations. In addition, it liaises with intergovernmental bodies on both programme and management matters.

10. The Geneva branch of the CEB secretariat is responsible for preparing for the sessions of the High-level Committee on Management and those of its networks (Procurement Network, Finance and Budget Network, Information and Communications Technology Network and Human Resources Network) and their subgroups. It handles the implementation of and follow-up to the Committee's conclusions and recommendations and maintains human resources and financial data and statistics on behalf of the United Nations system.

11. Bearing in mind that out of 29 CEB member organizations, 19 are located in Europe (9 in Geneva) and 2 in Nairobi, in 2002 CEB took the strategic decision to

locate the secretariat of the High-level Committee on Management in Geneva as a means to facilitate day-to-day interaction with CEB member organizations, thus maximizing effectiveness and impact in coordinating their diverse management policies and practices and furthering system-wide managerial coherence, pursuant to relevant intergovernmental guidance.

12. Both branches of the CEB secretariat work closely together to: (a) develop and manage an interactive information network to facilitate systematic and continuous dialogue among CEB member organizations on enhancing the overall effectiveness of the system; and (b) provide Member States, individually and collectively in the relevant intergovernmental bodies, as well as the general public, with information on activities of system-wide relevance. With a view to further enhancing functional, managerial and operational effectiveness and synergies within the CEB secretariat as a single, but dual-location, entity, a number of internal organizational measures have been put in place. These include regular teleconferences between staff of both locations, videoconference staff meetings led by the Director of the CEB secretariat and cross-attendance of staff of the High-level Committees on Programmes and on Management in the Committees' respective meetings.

13. CEB member organizations also noted that the dual-location arrangement allowed for the continuity of working hours, resulting in the constant availability of support for members.

14. In connection with the preparation of the present report, an analysis was carried out of the functioning and the working modalities of the CEB secretariat, including in a scenario involving the consolidation of both branches in New York, as was an evaluation for all member organizations of the present benefits of and the impact of a possible consolidation on access to CEB services, including location-specific facilitation elements. In addition, the operational and financial impact of a consolidation on CEB member organizations, particularly those based in Africa and in Europe, was assessed, as were the implications of a consolidation on existing cost-sharing arrangements and beyond.

15. The review confirmed that the High-level Committees on Programmes and on Management, both serviced by the CEB secretariat, had specific mandates and responsibilities and operated in different functional areas that did not largely overlap but mutually reinforced and complemented each other. The consolidation of the CEB secretariat in New York would largely affect the management area under the purview of the High-level Committee on Management. Whereas coordination in the programme area is focused primarily at the strategic level, coordination in the management area, while also encompassing the policy level pursuant to intergovernmental directives, involves a much more continuous exchange on management issues with a view to their harmonization and in the common search for best practices and lessons learned. Although advances in modern technology can greatly assist in facilitating communication, the relocation of the secretariat of the High-level Committee on Management would, undoubtedly, negatively affect the almost daily inter-agency working interactions currently in place between the Committee secretariat and the secretariats of the CEB member organizations in such areas as staff salaries and allowances, human resources management, procurement, information technology, finance and budget and harmonization of business practices, which take the form of expert working group meetings held in Geneva, where the majority of CEB member organizations are located. The analysis also

showed that no economies of scale for the CEB secretariat could be expected from consolidation, given the distinct responsibilities assigned to the two Committees. Furthermore, from a financial viewpoint, the relocation of the secretariat of the High-level Committee on Management to New York would result in additional direct costs for the Europe-based member organizations with regard to travel, communications and related costs.

16. With regard to the impact on the cost-sharing commitments of CEB member organizations in the jointly financed CEB secretariat budget, it is estimated that one-time costs arising from the relocation of Professional staff of the High-level Committee on Management secretariat to New York and from setting up additional office space for the secretariat at Headquarters would amount to $300,900 in the year of relocation (based on 2013 prices). Furthermore, additional one-time costs could arise from an agreed termination of General Service (Other level) staff members in Geneva. In terms of recurrent costs, there would be an annual reduction due to the lower staff salary rates at Headquarters in New York compared with Geneva in the amount of $300,400 (based on 2013 prices), which would be partially offset by the higher non-post-related requirements in New York in the amount of $49,200 per year, giving rise to an estimated net annual reduction of $251,200 ($502,400 for the biennium). It should be noted that the programme budget share of the jointly financed CEB secretariat proposed budget is 27.4 per cent, which gives rise to an estimated net reduction of $68,800 per annum, or $137,700 for the biennium. The information is summarized in the table below.

Analysis of cost differential between Geneva and New York standards (based on the Geneva secretariat relocating to Headquarters)

(Thousands of United States dollars, based on 2013 rates)

	Geneva requirements		*New York requirements*			
	(1)	*(2)*	*(3)*	*(4)*	*(5)=(2)-(4)*	
	Per annum	*Per biennium*	*Per annum*	*Per biennium*	*Cost differential per biennium Reduction/(increase)*	*United Nations share (27.4 per cent)*
Recurrent						
Post	1 413.8	2 827.6	1 113.4	2 226.8	600.8	164.6
Non-post	80.0	160.0	129.2	258.4	(98.4)	(27.0)
Subtotal	**1 493.8**	**2 987.6**	**1 242.6**	**2 485.2**	**502.4**	**137.7**
Non-recurrent						
Relocation cost			300.9	300.9	(300.9)	(82.4)

17. In the light of the above, the Secretary-General consulted CEB member organizations on the issue of consolidation of the CEB secretariat, as called for in resolution 66/246. It is the unanimous view of the executive heads of the member organizations that the consolidation would not result in any substantial financial benefits for CEB member organizations, or managerial benefits for its secretariat, while it would risk weakening the coordination of the management policies and practices within the United Nations system, as many established working lines in

that area would, in their view, be disrupted as a result of a consolidation in New York.

III. Conclusions and recommendation

18. **Maximizing the efficiency and cost-effectiveness of the CEB secretariat has been a constant concern of CEB member organizations in addressing the role that the CEB secretariat must play in supporting the activities of the Board and its subsidiary machinery, including strengthening its working methods and the functioning of the secretariat structures, saving costs and improving efficiency at all levels. The underlying principle throughout has been that the CEB secretariat structures and their composition have to be fully adequate to carry out their responsibilities and cover the scope of services to be provided at any given time to the Board and its machinery operations in response to intergovernmental mandates.**

19. **It is the view of CEB member organizations that the existing structure, composition and dual location of the CEB secretariat constitute the most efficient and cost-effective arrangement to support the Board in fulfilling the responsibilities entrusted to it by the General Assembly and the Economic and Social Council. The Board will nevertheless keep its secretariat's operational effectiveness under review and, in the light of the continuous evolution of the United Nations system, will bring any further adjustments that may be required to the attention of the Assembly as and when the situation may so warrant. The Secretary-General concurs with the position of the CEB member organizations on the matter and recommends to the Assembly that present organizational arrangements for the CEB secretariat be maintained.**

20. **The General Assembly is requested to take note of the present report.**